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This document is not to be circulated to or relied upon by retail clients.



TPF Generation I LP: Consumer Duty product pack for distributors

June 2024



Sapphire Capital Partners LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

TPF Generation I LP

Product reviewed: June 2024

Previous review: June 2024

Product launched: June 2024



Product: TPF Generation I Fund

Key Documents	Information Memorandum, Key Information Document and Limited Partnership Agreement.
Nature of Security	Unquoted shares in early-stage businesses.
Nature of Product	Alternative Investment Fund and Collective Investment Scheme
Length of hold	Ten year investment horizon
Tax Advantages	N/a
Nature of Risk	The risk score is 6 out of 7, because the Fund invests in early-stage companies which are hard to value and where it may not be possible to sell the investment. This rates the potential losses from future performance at a high level, and poor market conditions are likely to impact the capacity of the Product.
Target Investor	Designed for private investors who understand the risks of investing in unlisted investments, typically a UK higher-rate taxpayer, over 18 years of age, advised by an FCA authorised adviser or those that have certified as a high-net-worth and/or (self-)certified sophisticated invest. They may also be a professional client or an eligible counterparty. Investors should be able to lose all funds invested.
Target Sector	The Product's objective is to invest in innovative companies within the following sectors: Human performance, digital communities, smart-commerce and New-age media

The Players Fund

Product Objectives	The Fund's mission is to identify, invest and support exceptional entrepreneurs who are building disruptive business models and offerings in the broad categories such as: consumer technology, human performance, new age media and content distribution, digital communities and smart commerce. However, there may be other areas in which the Fund will seek to invest.
Distribution Strategy	Via the Investment Adviser, IFA distribution and Wealth managers.
Withdrawal/liquidity	N/a.
Transferability	There is no transferability mechanism within the fund. Additionally, for the investments made by the fund there is no readily available secondary market and as such, investor's should expect to hold their investments for the lifetime of the fund.
Financial Services Compensation Scheme	Deposit protection of up to £85,000 per person per eligible claim for investors' money held on client account at the custodian. Please review the Fund information memorandum to understand the full details in relation to eligibility to claim under the Financial Services Compensation Scheme or contact the FSCS directly at www.fscs.org.uk .
Insurance Benefits	The Product does not have any insurance benefits.

The Players Fund

*The fees stated below relate to those charged to Athlete LPs in relation to the Fund, for further information on the fees charged to corporate investors please refer to the IM or LPA.

Fees	Initial fee*	0%	There is no initial fees payable for Athlete LPs of the Fund.
	Annual administration fee*	0%	There is no annual administration or management charge for Athlete LPs in the Fund.
	Performance fees*	0%	Athlete's will not be charge a performance fee in relation to profitable investment made by the fund.

Target Market Analysis



Analysis

Requirement	Target Market Criteria	Compatibility
Client type	Retail	Compatible
	Professional	Compatible
	Eligible counterparty	Compatible
Sub-type of Retail	Unrestricted	Not compatible
	Restricted/ HNW/Sophisticated	Compatible
	Suitability/Appropriateness Test	Compatible
Notes	Based on the Product details and target market analysis it is deduced that the Product is most suitable for high net worth retail clients and not for ordinary retail investors.	
Knowledge and experience	Low	Not compatible
	Medium	Not compatible
	High	Compatible

Analysis

Requirement	Target Market Criteria	Compatibility
Financial situation, with a focus on ability to bear losses	No tolerance for loss in their investment	Not compatible
	Tolerance of moderate loss	Not compatible
	Tolerance of entire loss	Compatible
	Tolerance of loss exceeding investment	N/A
Characteristics of vulnerability	Poor health	Not compatible
	Experiencing a negative life event	Not compatible
	Having low financial resilience	Not compatible
	Having low capability	Not compatible
Notes	<p>This Product is not targeted at consumers with characteristics of vulnerability; however, when onboarding and/or communicating with a consumer, staff will be on the lookout for signs of vulnerability that can lead to the individual concerned making poor decisions. Sapphire will act in line with the Sapphire Vulnerable Persons Policy, and may seek additional information from the IFA in relation to the consumer's potential vulnerability. Under Consumer Duty, Sapphire and IFAs must seek to avoid causing foreseeable harm to retail customers.</p>	

Analysis

Requirement		Target Market Criteria	Compatibility
Client's objectives and needs	Investment Tenor	Short	Not compatible
		Medium	Not compatible
		Long	Compatible
	Investment Objective	Capital protection	Compatible
		Appreciation	Compatible
		Future income stream	Compatible
		Tax advantages	Not compatible
	Liquidity	Requires the possibility to exit investment early	Not compatible
		Willing to hold the investment long term/until maturity	Compatible
	Additional criteria	Preservation of tax relief	Not compatible
		Portfolio diversification	Compatible
		Hedging	Not compatible
		Ethical/green	Not compatible
		Sharia compliant	Not compatible

Analysis

Requirement	Target Market Criteria	Compatibility
Distribution Strategy	Advised	Compatible
	Non-advised	Compatible
	Execution only	N/A
	Discretionary	N/A
Notes	The Product is only to be distributed via suitable channels such as The Players Partnership, IFAs and wealth manager networks who have an expertise in high risk investments in venture capital.	

The Investment Manager



SAPPHIRE

How Sapphire prioritises good outcomes for customers

More than just profits

- Certified B Corporation: Achieving the most stringent criteria for verified social and environmental performance, public transparency, and legal accountability.
- Striving to redefine business success by evaluating it beyond mere profit.

Established

- Over 50 funds managed.
- £400+ million AUM.
- 6,000+ Investors onboarded.
- Immeasurable support of innovation.



Personable

- An experienced team of investment professionals.
- Diverse backgrounds in accountancy, corporate finance and more.



Products & Services

Annually, we conduct a thorough evaluation of this product to ensure it consistently delivers good outcomes for customers.

Target Outcome	Outcome Achieved	
	Yes	No
	Last 12 months	Since inception (2024)
Diversification Target: A target portfolio size of ten companies	N/A	N/A
Deployment target: all funds deployed within a 12 month period	N/A	N/A
Tax Relief	N/A	N/A
Target Exit	N/A	N/A
Feedback requested to understand processes in place to ensure product is sold within the target market	✓	✓
Product sold only via the defined distribution channels	N/A	N/A
Product passed annual review and testing	✓	✓

Conclusion: As the product has only launched, the performance of the product can not be fully assessed.

Price and Value

Ensuring customers receive essential product services, attain all features, and exceptional value for their investment is crucial for a favourable outcome.

Target for a good outcome	Relevant contributors	Last 12 months	Since inception (June 2024)
Each investor receives the product as offered	Every investor is assigned a portfolio comprising shares in the relevant companies as detailed by the Fund's investment mandate, with the potential to achieve a £4.74 return for each £1 invested (net of fees).	N/a - no investments made to date.	N/a - no investments made to date.
Product outcomes are attained for each investor	Companies are within the defined investment criteria of the Fund	N/a - no investments made to date.	N/a - no investments made to date.
	Portfolio Performance	Too early to evidence. No exits to date.	
	Full deployment within 12 months.	The Fund has a substantial deal-flow of investments, and as such, all investors are expected to be deployed within 12 months.	The Fund has a substantial deal-flow of investments, and as such, all investors are expected to be deployed within 12 months.
Successful exits achieved.		No exits to date – this is a long-term investment with an 7 year expected exit horizon.	
An investor cannot obtain a comparable product or service for a lower fee.	LP funds with similar overall pricing have been identified, but none of them provide customers with the same proposition.	The ability for Athlete LPs to gain exposure to early-stage companies without fees, takes steps to improve trust with Athletes and provide them with the ability to diversify their portfolios.	

Conclusion: A good outcome for customers has been achieved over the review period, as far as it can be assessed.

Consumer Understanding

Our customers should be able to understand all of our communications and be able to make informed decisions.

How we define a good outcome	How we assess it	Reviewed in most recent assessment
All customer communications and financial promotions have gone through a defined process.	Comprehensive sign-off of all documents and communications.	Yes
Benefits & risks are clearly outlined and in no way unclear, misleading, unfair.	Thorough analysis of the promotional materials and risk warnings completed at launch or if there was a material change.	Yes
Tax reliefs offered by the product are clearly communicated.	All reliefs and documents available are clearly communicated to investors, and understanding is assessed on multiple levels.	Yes
Documents and communications provide clear information to consumers to make informed investment decisions.		

Conclusion: A good outcome for customers was achieved over the review period, as no complaints or communications were received linked to consumer understanding.

Consumer Support

<i>A good outcome for customers is when they have been supported throughout their journey.</i>		
Divison	We have defined a good outcome as:	Reviewed last 12 months:
Customer service team	Dedicated service team with significant knowledge and experience.	Yes
Customer journey from onboarding to exit	All customers recieve regular communications throughout their journey.	Yes
Methods for feedback	Email, mail, phone, in person and anonymous feedback form.	Yes
Feedback received	Customer Feedback reviewed monthly, and action taken where appropriate.	Yes
Complaints - responsiveness	All complaints are responded to within within 3 days and conducted within 8 weeks.	Yes
Complaints - FOS	No complaints upheld by FOS.	Yes
Provisions for vulnerable clients	Vulnerability training completed by the service team, and actions taken where appropriate.	Yes
Service team	Low turnover and excellent employee satisfaction.	Yes
Abandoned calls	None occurred.	Yes
3rd Party Suppliers	Feedback reviewed when received and acted on where appropriate.	Yes
Conclusion: A good outcome for customers was achieved over the review period, as no complaints or communications were received linked to consumer understanding.		

SUMMARY

Characteristics of the Product

Summary Disclosure to Distributors

Characteristics of the Product

Based on the Product details and target market analysis, we conclude that the Product is most suitable for clients advised by a suitably qualified IFA or qualifying investors who have certified as High-net-worth or (Self-)Certified sophisticated Investors.

If you are unsure of whether the product is suitable for you, please discuss any concerns with your IFA.

Product will be distributed in accordance with the needs, characteristics and objectives of the target market

The onus is on the distributor to ensure they act within accordance with the needs, characteristics and objectives of the Target Market. Consumers must be able to make informed investment decisions supported by information and documentation from Sapphire and, if applicable, a financial adviser. In the event a distributor believes they do not have the necessary information required to act within their capacity, the distributor is recommended to contact Sapphire and request the missing information.

Identify the intended distribution strategy for the Product

The Product is intended to be distributed via IFAs and wealth manager's distribution networks.

Summary Disclosure to Distributors

Understand the identified target market

The Product is designed for private investors who understand the risks of investing in unlisted investments, typically a UK higher-rate taxpayer, over 18 years of age, normally advised by an FCA authorised adviser. They may also be a professional client (as per COBS 3.5). Investors should be able to lose all funds invested. An investor should:

- be aged at least 18;
- need to diversify investment portfolios across asset classes;
- not need income from or access to the capital invested during the anticipated holding period;
- not be under any pressure to invest or secure a certain income from investing;
- understand investing will expose you to capital losses;
- understand that the investment may not be able to be realised early, at market value, or at all;
- understand that there is no secondary market for this investment;
- understand that this is a high risk, illiquid, speculative investment and that there is the potential to lose all capital invested;
- not be aware of any health issues or events which would impact their ability to make decisions for financial matters or day to day capability (see FCA guidance FG21/1);
- be seeking to shelter assets from inheritance tax.

It is recommended that all investors are advised by an IFA, to reduce vulnerable customers accessing an unsuitable product and ensure the suitability of the Product for the investor as well as ensuring the Product meets the investor's financial requirements.

Summary Disclosure to Distributors

Understand the identified target market (continued):

The Product is not suitable for clients who:

- under the age of 18;
- have limited to no investment experience;
- are under pressure to invest or secure a certain income from investing;
- can not be exposed to capital losses;
- whose lifestyle would be impacted by the loss of 100% of their investment;
- seek a short to medium term investment product, or need their money back quickly (most funds can be a duration of at least ten years or more);
- whose decision-making is impacted by health issues or life events;
- aren't willing to hold their investment for at least the expected life of the Product;
- have a low- to medium- risk appetite;
- don't seek to shelter assets from inheritance tax; or

Subject to Sapphire's approval, corporate and professional investors can invest in this product; however, the application route involves manual intervention and more documentation.

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Investing in start-ups and early-stage companies involves risks, including illiquidity, lack of dividends, loss of investment and dilution. It should be done only as part of a diversified portfolio. There is no assurance that the investment objectives of any investment opportunity will be achieved or that the strategies and methods described by the product will be successful. Past performance is not necessarily a guide to future performance and the value of an investment may go down as well as up.


The investments discussed are not suitable for everyone. This document does not constitute advice on investments, legal matters, taxation or any other matters. Any recommendation should be based on a holistic review of a client's financial situation, objectives and needs.

Investors should read the product Information Memorandum, Key Information Document and the Limited Partnership Agreement before deciding to invest.



You've heard from us.

If you need
anything
further, we want
to hear from
you.

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